

Arizona State Board for Charter Schools

November 15, 2004

Executive Tower

1700 West Washington Street

Phoenix, Arizona 85007

Basement Room 56

MINUTES

Members Present-

Kurt Davis – President

Kimberly Mosher– Vice President

Mary Gifford – Superintendent’s Designee

David Hume-Business Member

Cassandra Larsen - Public Member

Jose Gabriel Loyola – Public Member

Onnie Shekerjian- Public Member

Members Absent

Lynne Adams – Public Member

Mary Lynn Kelly -Business Member

Senator Linda Aguirre - Advisory

Representative John Huppenthal - Advisory

Representative Ted Carpenter - Advisory

Meeting began at 9:10 AM

Agenda Item A: Pledge of Allegiance

Agenda Item B: Moment of Silence

Agenda Item C: Roll Call: Traci Sawyer-Sinkbeil called the roll and confirmed a quorum. Mary Gifford arrived at 9:12am.

Agenda Item D: Call to the Public

Julie Schultz-Balder, parent of a student at New School for the Arts provided a letter to the Board regarding an incident that occurred during a field trip. President Davis asked Ms. Balder to provide information to staff.

Agenda Item E: Consent Agenda

1. Final read of the policy regarding the temporary suspension of operation of a charter school.
2. Final read on the process for conducting first year, second year, five year and ten year reviews of charter schools.
3. Benchmark School, Inc.—Request for an exception to the USFRCS and Procurement.

MOTION

Motion by Onnie Shekerjian to accept the Consent Agenda.
Motion seconded by Cassandra Larsen.

Motion passes unanimously

Agenda Item F: Superintendent’s Report

None

Agenda Item G: Executive Director’s Report

1. Status of on-going board actions:

Kristen Jordison provided the Board with an updated status report that included an update on the status of each outstanding audit.

Agenda Item H: Subcommittee Reports and Action Items:

1. Charter Oversight/Strategic Planning and Implementation Committee Report—Update and review of committee actions—Cassandra Larsen

No action taken

Cassandra Larsen, the chairman of the Oversight sub-committee, reported that the sub-committee held its last meeting during the Arizona Charter Schools Association conference. At this meeting, which included strong participation from the charter school community, the sub-committee continued its discussion on academic accountability.

The Board suggested that specific language regarding the Board's expectations for student achievement be put into the contract. Draft language will be presented at the next sub-committee meeting.

2. Legislative Committee Report—Update and review of committee actions—Mary Gifford

Mary Gifford, chairman of the Legislative sub-committee, reported that the sub-committee discussed two issues for the Board to consider pursuing during the upcoming legislative session. These issues pertain to: 1) instituting a charter application fee to possibly fund the activities of the Board's application technical review panels and 2) requiring all charter schools to purchase a surety or performance bond that would be cashed in if the school ever closed while owing the state money. After the sub-committee meets in December, the full Board will likely hold a telephonic meeting to approve the Board's legislative agenda. Ms. Gifford also mentioned that a member of the charter community brought up an issue of property tax to the sub-committee. Ms. Gifford suggested that the Board consider supporting the Charter School Association if this issue is pursued.

No action taken

3. Outreach/Public Awareness Committee Report—Update and review of committee actions—Mary Lynn Kelly

None

Agenda Item I: First Read and Review Items

1. First read, review, and discussion of a draft letter to be sent to the Joint Legislative Budget Committee, the Office of Strategic Planning and Budgeting, and Representative Yarbrough concerning alternative authorizers.

No action taken

The Board reviewed and discussed the draft letter. No changes were requested. This will be put on the next Board meeting agenda for final approval.

2. First read and discussion of the Board's 2005 legislative agenda

Ms. Gifford covered this issue in her review of the sub-committees actions. The Legislative sub-committee will meet again and bring further defined issues to the Board.

Order of agenda was changed to accommodate the schedules Board members.

Agenda Item N--Action Items

1. Charter School Annual Financial Report--The Board will receive information to determine whether evidence exists that the following schools are in breach of one or more provisions of their charter contract, federal, state, or local laws regarding their failure to submit the annual financial report in accordance with A.R.S. 15-183.E.6.

- a. Academy of Arizona
- b. Academy of Hope
- c. Accelerated Learning Laboratory, Inc.
- d. Allen-Cochran Enterprises, Inc.
- e. Arizona Montessori Charter Schools
- f. Cambridge Academy East, Inc.
- g. Carmel Community, Inc.
- h. Choice Education and Development Corp.
- i. Desert Springs Academy
- j. EcoTech Academy of Science & Agriculture
- k. Educational Administrative Services Corp..
- l. EduPreneurship, Inc.
- m. Espiritu Community Development Corp.
- n. Excalibur Charter School, Inc.
- o. Kachina Country Day School, Inc.
- p. Maricopa Community College District.
- q. Park View School, Inc.
- r. Patagonia Community Montessori School
- s. Pathways Charter Schools, Inc.
- t. Phoenix Special Programs, Inc.
- u. Progressive Junior High School, Inc.
- v. Progressive Leadership Academy
- w. Sierra Vista Charter School, Inc.
- x. Telesis Center for Learning, Inc.
- y. Tertulia: A Learning Community
- z. Vision Charter Schools, Inc.

MOTION

Motion by Mary Gifford to withhold 10% of the monthly state equalization payment for non-submittal of the annual financial report for the following schools: **Academy of Arizona, Arizona Montessori Charter Schools, Cambridge Academy East, Choice Education and Development Corporation, Desert Springs Academy, Educational Administrative Services Corporation, Maricopa Community College District, Pathways Charter Schools, and Telesis Center for Learning** and add failure to submit the Annual Financial Report to the basis of the withholding for **Academy of Hope**. Motion seconded by Onnie Shekerjian.

Motion passes unanimously

Kristen provided the Board an overview of the AFR. She also stated there were several schools that were now in compliance and asked they be removed from the agenda. They are items # c, d, g, j, l, m, n, o, q, r, t, u, v, w, y, & z.

Mike Davis, charter representative with Educational Administrative Services Corporation, stated that he had tried to resolve the issue with School Finance but did not receive a call back.

Agenda Item N. 5--Wide Ruins Community School, Inc. —Discussion and possible action on consent to the surrender of the charter and termination of the charter contract of Wide Ruins Community School.

Kim Anderson, Assistant Attorney General gave an update of recent events with Wide Ruins Community School. Ms. Anderson stated that the school's attorney had been in contact with her regarding a settlement. Although the school's governing board had not yet met to consider the settlement the attorney had reviewed the proposed agreement.

Franklin Hoover, attorney for Wide Ruins Community School, answered questions from the Board.

Lorraine Lee, board member for Wide Ruins Community School, requested that the Board keep the school open until the end of the school year. She stated their board was unaware of the issues surrounding the Notice of Intent to Revoke.

Thomas Bia, board president for Wide Ruins Community School, also requested that the Board keep the school open until the end of the school year for the sake of the students.

Jose Gabriel Loyola expressed concern that the Board was eliminating an option for students in a remote area of the state and that we should continue to a hearing regarding this matter.

Kurt Davis stated that surrendering the charter is a mutual decision and the school has every right to continue to a hearing if they so choose.

Agenda Item N2-- Charter School Annual Financial Audit--The Board will receive information to determine whether evidence exists that the following schools are in breach of one or more provisions of their charter contract, federal, state, or local laws in accordance with A.R.S. 15-183.E.6 as indicated in their annual financial audit for fiscal year ending 2002-2003.

MOTION

Motion by Onnie Shekerjian to accept the Consent Agreement for the Voluntary Surrender and Termination of the Charter School Contract of **Wide Ruins Community School**. Motion seconded by Kimberly Mosher.

**Motion passes
(6 ayes, 1 nay-Loyola)**

a. Little Singer

Michele Diamond, Director of Government & Financial Affairs, gave an overview of Little Singer Community School. She stated that the school operates a grant funded K-6 school as well as a junior high charter school that serves grades 7-8. Little Singer is required per statute and its contract to follow the USFRCS.

In its 2003 financial audit, the school received a qualified opinion due to inadequate internal controls .

The results of the FY 2003 audit indicate gross violations of the USFRCS that provide a high opportunity for fraud and theft. There is no evidence from the audit that theft or fraud is occurring now. The audit simply identifies that there is a high opportunity for fraud and theft due to the inadequate internal controls in place at the school. These issues fall within the serious impact category within the audit follow-up matrix in which staff is directed to bring to these matters to the Board for possible disciplinary action. Letters were sent to the school on several occasions requesting a corrective action plan outlining how these deficiencies have been or will be addressed. To this day, the school has not provided the staff with a corrective action plan. Staff has not received the school's FY 2004 audit yet nor have they approved an engagement letter.

Board break from 10:30am to 10:45am

Agenda Item N3-- Charter School Contracts—

Discussion and possible action to adopt clarifying changes and suggested revisions to the charter contract.

The Board discussed these changes and requested that the contract be tabled until the language is drafted for the academic achievement component.

It was further suggested that these proposed changes move forward for a final read in January with amendments made for the academic achievement section after this.

Agenda Item N4--Patagonia Montessori Middle School, Inc. —

Discussion and possible action on consent to the surrender of the charter and termination of the charter contract of Patagonia Montessori Middle School.

Kristen provided the following background information on Patagonia Montessori Middle School: The charter for Patagonia Montessori Middle School was rejected by

MOTION

Motion by Mary Gifford to issue a Notice of Intent to Revoke the charter of **Little Singer Community School** for violations of A.R.S. 15-183.E.6., found in their 2002-2003 annual financial audit and to withhold 10% of their monthly state equalization payments. Motion seconded by Kimberly Mosher.

Motion passes unanimously

No action taken

the Board in the Spring of 2003 due to the fact that the grade levels requested, 7 & 8 were redundant to the grade levels served by the operator's existing K-8 charter. The operator appealed the Board's decision and the Board granted the charter.

The charter contract was signed in July 2003 and the school began operating grades 7 & 8 as a separate charter on August 14, 2003. On September 30, 2003 the school transferred the enrolled students from the Middle School charter back to the original charter. As the consent agreement outlines, the Middle School received monies in excess of what they were entitled to given the transfer of students. The Middle School has returned the excess to the Dept. of Education.

Staff has been working with the Middle School since the time they were made aware of this situation to gather the necessary data and the return of the funds prior to bringing this agreement before you. The Middle School has agreed to surrender their charter back to the Board and terminate the contract as outlined in the agreement.

**Agenda Item M--New Charter School Applications:
Discussion and possible action on the following
applications and requests for a charter**

**1 El Pueblo Integral Teaching and Learning
Collaborative—JoAnn B. Groh**

JoAnn Groh & Santo Nicotera gave the Board a brief overview of their application and answered questions from the Board.

2. Galapagos, Inc.—Michael G. Lane

Michael Lane (telephonically) & Patrick Love gave the Board a brief overview of their application and answered questions from the Board.

Agenda Items J & K--Presentations by Arizona Department of Education (ADE) staff slated for the November meeting were tabled for a future meeting. At this meeting the ADE staff will present on the roles and responsibilities of the ADE School Effectiveness Division's Solutions Teams in working with underperforming schools and on the roles and responsibilities of ADE's Intervention Section as a result of a school receiving a Failing label.

MOTION

Motion by Mary Gifford to accept the surrender of the charter and termination of the charter contract of **Patagonia Montessori Middle School, Inc.** Motion seconded by Kimberly Mosher.

Motion passes unanimously

MOTION

Motion made by Cassandra Larsen to accept the application and grant the charter of **El Pueblo Integral Teaching and Learning Collaborative**. Motion seconded by Kimberly Mosher.

**Motion passes
(5 ayes, 2 nay-Gifford, Shekerjian)**

MOTION

Motion made by Cassandra Larsen to accept the application and grant the charter of **Galapagos, Inc.** Motion seconded by Kimberly Mosher.

**Motion passes
(4 ayes, 3 nay-Gifford, Loyola, Shekerjian)**

Agenda Item L--Presentation—Arizona Attorney General's Office, Solicitor General Division—Victoria Mangiapane

Victoria Mangiapane provided an overview of the Board's roles and responsibilities as it responds to Findings of Fact, Conclusions of Law, and Recommendations made by an Administrative Law Judge as a result of referring hearings to the Office of Administrative Hearings

Jose Gabriel Loyola leaves the meeting at 12:15pm

Agenda Item M 3. Heritage Montessori Charter School, Inc.—Susan Vespoli

Susan Vespoli gave the Board a brief overview of their application and answered questions from the Board.

MOTION

Motion made by Cassandra Larsen to accept the application and grant the charter of **Heritage Montessori Charter School, Inc., Inc.** Motion seconded by Kimberly Mosher.

Motion passes unanimously

Agenda Item O--Board Comments

Onnie Shekerjian commented that the applications, which contain personal information on the applicants be given back to staff to be destroyed.

Kimberly Mosher informed the Board of a student at Mission Charter school that is ill yet making a difference in other children's lives. She is to be commended for her diligence.

David Hume wanted to commend staff for their hard work on the applications.

Agenda Item P--Approval of Minutes

September 13, 2004
October 12, 2004
October 15, 2004 Executive Session
October 15, 2004

MOTION

Motion by Onnie Shekerjian to approve the minutes for September 13, 2004 and October 12, 2004.

Motion passes unanimously

Minutes for October 15, 2004 were tabled until a quorum from the meeting is present.

Agenda Item Q--Adjournment

MOTION

Motion by Mary Gifford to adjourn the meeting. Motion seconded by David Hume.

Motion passes unanimously

The meeting adjourned at approximately 12:33pm.

Signature

Date